Community Trusts as Interface Institutions

Complete Governance Specification

Operational Framework for Post-Labour Work Systems

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Executive Summary

This document provides a complete governance specification for Community Trusts operating as interface institutions in post-labour work systems. It translates the conceptual framework into operational mechanisms, governance structures, and implementation protocols.

Purpose and Scope
Community Trusts address a fundamental coordination failure: firms increasingly contract specialist capacity episodically, yet no institution stabilizes participation, income, and skill transmission during gaps between market engagements. This specification defines how trusts perform three core interface functions:

- Stabilization – smoothing income and participation volatility from episodic contracting
- Recognition – rendering non-market contributions (mentoring, training, maintenance) legible and legitimate
- Transmission – supporting skill diffusion and capability development across time and roles

Relationship to Community Trust Regeneration Framework
This governance specification complements the Community Trust framework for regeneration, compensation, and capability development (Ryder, 2025). While that framework addresses structural displacement through compensatory mechanisms and asset-holding institutions, this specification focuses on ongoing participation coordination in transitional work systems.

Section I: Governance Structures

1.1 Trust Board Composition

Each Community Trust operates under an independent board with legal authority over credit allocation, asset stewardship, and program direction.

Board Composition (7-11 members):

1. Participant Representatives (3-5): Elected annually by participants with active credit standing. 2-year staggered terms, maximum 4 consecutive years.
2. Specialist Stewards (2-3): Appointed for domain expertise in finance, law, or governance. 3-year terms. No direct financial interest in contracting firms.
3. Community Observers (1-2): Nominated by local civic bodies. Non-voting advisory capacity. 2-year terms.
4. National Standards Observer (1): Appointed by national oversight body. Non-voting. Ensures compliance with minimum standards. 3-year term.

Decision-Making Authority
The board holds exclusive authority over:

- Credit band definitions and allocation criteria
- Appointment of Key Role holders (Scouts, Programme Builders, Liaison Officers)
- Asset acquisition, holding, and disposal decisions
- Interface contracts with firms
- Participation in horizontal capability pools
- Annual budget approval and reserve management

Standard decisions require simple majority. Constitutional decisions (credit band changes, major asset disposal, dissolution) require two-thirds supermajority and 30-day public comment period.

1.2 Key Roles and Operational Management

Day-to-day operations managed through appointed Key Roles with formal authority, defined responsibilities, and institutional support.

Trust Coordinator
Primary operational authority. 3-year renewable term. Responsibilities:

- Implements board decisions and manages daily operations
- Supervises Key Role holders and coordinates Contributory Roles
- Manages firm interface contracts and contribution flows
- Prepares quarterly reports for board and annual public reports
- Coordinates with other trusts on horizontal capability initiatives

Scouts (2-4 positions)
Identify latent capacity, underutilized skills, emerging needs. 2-year terms. Responsibilities:

- Map participant skills and availability against community needs
- Identify early signals of capability gaps or degradation
- Propose new mentoring matches and training initiatives
- Monitor participant wellbeing and flag volatility issues

Programme Builders (1-3 positions)
Translate identified needs into operational programs. 2-year terms. Responsibilities:

- Design program structures with defined scope, timelines, and roles
- Prepare budget proposals and resource allocation plans
- Coordinate between participants in Contributory Roles
- Document program outcomes and maintain institutional knowledge

Liaison Officers (1-2 positions)
Manage external interfaces with firms, municipal bodies, other trusts. 2-year terms. Responsibilities:

- Negotiate and monitor firm interface contracts
- Represent trust in horizontal capability pool discussions
- Coordinate with local authorities on regulatory compliance
- Maintain relationships with commercial contractors where necessary

1.3 Participant Rights and Grievance Procedures

Participants hold enforceable rights within the trust governance system.

Core Participant Rights:

- Right to transparent criteria: All credit band definitions, role requirements, allocation criteria must be published
- Right to timely decisions: Credit allocation and band review decisions within 30 days
- Right to explanation: Written explanation for any allocation decision affecting them
- Right to appeal: All decisions affecting credit standing or eligibility are appealable
- Right to exit: Participation is voluntary and can be discontinued without penalty
- Right to privacy: Personal information cannot be shared outside trust without consent

Grievance Procedure (Three Tiers):
Tier 1 (Days 1-14): Participant submits written grievance to Trust Coordinator. Response within 14 days.
Tier 2 (Days 15-45): Appeal to board. Ad hoc review committee (2 board members + 1 external mediator). Board votes on recommendation.
Tier 3 (Days 46+): External arbitration. National Standards Observer appoints independent arbitrator. Decision binding. Costs covered by trust.

Protection against retaliation: Participants filing grievances cannot have credits reduced, be excluded from programs, or face informal penalties. Evidence of retaliation triggers automatic external investigation.

Section II: Firm-Trust Interface Contract

2.1 Interface Contract Structure

The firm-trust interface operates through standardized contracts separating capacity contracting from continuity provision.

Mandatory Contract Elements:

5. Capacity Description: Specific expertise, deliverables, or functions being contracted
6. Temporal Structure: Expected duration, episodic pattern, anticipated volatility range
7. Remuneration Terms: Payment rates, invoicing procedures, payment timeline (paid directly to individuals)
8. Trust Contribution: Surplus funding amount paid to trust (12-18% of total remuneration)

9. Separation Clause: Firm has no authority over trust credit allocation, participant roles, or governance
10. Termination Provisions: Notice period (minimum 30 days), grounds for immediate termination
11. Reporting Requirements: Quarterly reporting on capacity utilization, payment flows, material changes

Prohibited Clauses (Contracts cannot):
- Grant firm any governance authority within the trust
- Require participants to prioritize firm work over trust activities
- Include exclusivity provisions preventing work with other firms
- Condition trust contribution on participant behavior or performance
- Allow firm to access participant credit records or allocation decisions

2.2 Trust Contribution Mechanism

Firms pay surplus contributions to trusts to support continuity infrastructure enabling episodic capacity contracting.

Contribution Rate Structure:
- Standard rate: 12-18% of total participant remuneration
- High-volatility premium: +3-5% for contracts with >40% demand variation quarter-to-quarter
- Training credit: -2-4% if firm co-funds skill development programs

Why Firms Pay: The Institutional Infrastructure Argument
Firms benefit from trust-stabilized capacity in four measurable ways:
12. Availability certainty: Trusts maintain participant stability across market volatility
13. Skill preservation: Trust-funded training maintains specialist capabilities firms can access episodically
14. Reduced onboarding friction: Participants already vetted, trained, supported
15. Legitimacy and reputation: Visible contribution to social infrastructure reduces political risk

The contribution is not taxation but infrastructure investment. Firms accessing maintained capacity pay for the system they benefit from.

Payment Procedures:
- Contributions paid quarterly, within 30 days of quarter end
- Firms submit remuneration summary with payment
- Trust verifies against participant records; discrepancies resolved within 14 days
- Late payments incur 1% monthly interest charge
- Persistent non-payment (>90 days) triggers contract suspension

2.3 Participant Protection and Wage Floors

Wage Floor Requirements (all interface contracts must pay):

- Minimum 120% of prevailing local wage for equivalent skill level
- Premium for episodic/volatile engagement patterns (minimum 10% above continuous equivalent)
- Prompt payment within 30 days of invoice submission

Working Condition Standards:

- Reasonable notice for work assignments (minimum 48 hours except emergencies)
- No unpaid on-call requirements
- Clear scope boundaries preventing unpaid scope creep
- Respect for participant availability constraints

Participant Exit Rights:

- 14 days notice for any reason (no justification required)
- Immediately if firm violates wage floors, payment terms, or working conditions
- Without penalty to trust credit standing

Section III: Credit Allocation System

3.1 Credit Bands and Allocation Criteria

Credits allocated through banded recognition rather than continuous scoring. Preserves legitimacy, prevents gaming, keeps decisions human-judged and socially legible.

Band 1: Baseline Participation (100-150 credits/month)
Criteria: Registered participant in good standing, available for opportunities, responsive to Scout outreach, participates in periodic skill mapping.

Band 2: Active Contribution (250-400 credits/month)
Criteria: Regular participation in Contributory Roles (minimum 6-8 hours/month), applying locally usable skills in trust programs, reliable delivery and coordination.

Band 3: Mentoring and Skill Transmission (450-650 credits/month)
Criteria: Appointed to formal mentoring role, actively training others in specialized skills, documented skill transmission (mentees achieving competence milestones), developing training materials.

Band 4: Coordination and Continuity (700-900 credits/month)
Criteria: Appointed to Key Role (Scout, Programme Builder, Liaison Officer), sustaining critical institutional functions, coordinating multiple programs or external interfaces, maintaining institutional memory.

Credit Value and Convertibility:

- Income supplements: Credits convert to monetary value at locally determined rates (typically €0.80-€1.20 per credit). Payments monthly in arrears.
- Access priority: Higher credit standing provides preference for firm matching opportunities, specialized training, resource access
- Reserve building: Participants may accumulate credits up to 3 months allocation as buffer

Critical: Credits Are Not Wages
Credit allocation is recognition for community-relevant contribution, not payment for market-valued labor. This prevents trusts from competing with firms by undercutting wages.

3.2 Band Review and Adjustment

Regular Review Cycle:

- All participants reviewed quarterly by relevant Key Role holders
- Key Role holders submit band recommendations to Trust Coordinator
- Trust Coordinator reviews for consistency and fairness
- Board votes on material band changes at quarterly meeting
- Participants notified in writing with reasoning and appeal rights

Upward Mobility:
Participants can request band review after demonstrating sustained higher-level contribution for 2+ months, taking on new responsibilities, or completing skill development. Requests reviewed within 30 days. If approved, upgrade applies retroactively.

Downward Adjustment (only when):

- Participant voluntarily reduces involvement
- Sustained non-participation without communication (3+ months)
- Key Role responsibilities end or are transferred

Reductions are gradual (one band at a time, 60-day notice), reversible without stigma, never punitive.

Temporary Life Circumstances:

- Hold status: Credits frozen at current band for up to 6 months, no participation expected
- Reduced participation: Temporary move to lower band with guaranteed return rights

3.3 Counter-Cyclical Adjustment Mechanism

Trust's stabilization function requires adjusting credit allocation to absorb market demand volatility without central planning.

Automatic Stabilizers:

- High firm demand periods: Trust credits taper naturally as participants earn market income. Credits maintain floor for continuity.
- Low firm demand periods: Trust credits expand, allocating more participants to maintenance, training, mentoring, capability-building roles.

This operates through observation: Scouts monitor availability and engagement patterns, Programme Builders propose expansions when capacity available, Board approves based on reserve levels and observed need.

Reserve Management:
- Minimum reserve: 6 months baseline credit allocation for all registered participants
- Target reserve: 12-18 months at average allocation levels
- Maximum reserve: 24 months (excess redistributed or invested in asset acquisition)

Crisis Protocols (if reserves fall below 3 months baseline):
- Board declares temporary austerity mode
- Credit allocations reduced proportionally across all bands (minimum 20% reduction)
- New program launches suspended
- Emergency consultation with other trusts for short-term mutual support
- National Standards Observer notified for potential intervention

Section IV: Operational Protocols

4.1 Skill Recognition and Attribution

Credit allocation depends on recognizing skills that are locally usable, not merely market-valued.

Skill Mapping Process:
- Initial intake: 60-90 minute structured conversation with Scout
- Documents specialist expertise, general capabilities, latent skills
- Identifies skills applicable to trust programs vs. market-only expertise
- Updated annually and whenever participant develops new competencies

Community-Bounded Attribution (skills receive recognition only when applied):
- Direct application: Using skill in trust program delivery
- Teaching/mentoring: Transmitting skill to others for trust use
- Translation/adaptation: Converting specialized knowledge into locally accessible forms

Verification and Endorsement (skills verified through):
- Demonstrated competence in trust programs

- Peer endorsement from other participants
- Key Role holder attestation
- Documented outcomes (completed projects, trained mentees, resolved problems)

External credentials noted but not automatically credited. Trust recognition depends on application, not possession.

4.2 Mentoring and Training Structures

Skill transmission central to trust's capability development function. Requires formal mentoring structures preventing extraction and ensuring reciprocal benefit.

Appointed Mentorship Model:
- Scouts identify skill gaps and bottlenecks requiring transmission
- Board appoints mentors with relevant expertise and teaching capability
- Mentoring is time-bounded (3-6 month engagements) with defined skill targets
- Mentors receive Band 3 recognition plus materials/resource budget

Mentoring Expectations (appointed mentors commit to):
- Structured curriculum development (not just ad hoc advice)
- Regular sessions with mentees (minimum weekly contact)
- Documented progress tracking
- Creating reusable training materials for future cohorts
- Demonstrable mentee competence achievement

Preventing Extraction (appointed model prevents):
- Informal gatekeeping: Formal appointment ensures governed access
- Unpaid labor: Recognition and resource support ensure mentoring is valued
- Skill hoarding: Time-bounded engagements with documented outcomes prevent indefinite knowledge control

4.3 Horizontal Capability Pooling

Regional inequality and resource constraints create pressure for centralization. Horizontal capability pooling enables collective action without hierarchy.

Pooling Principles:
- Voluntary: Trusts choose whether to participate in specific pools
- Reversible: Trusts can withdraw from pools with reasonable notice (typically 90 days)
- Function-specific: Pools address particular capabilities (legal expertise, training, procurement), not general governance
- Cost-sharing: Participating trusts contribute proportionally to benefit received

Common Pool Functions:

- Legal and compliance support: Shared access to legal expertise
- Specialized training programs: Joint curriculum development for rare/expensive skills
- Procurement coordination: Collective purchasing for volume discounts
- Technical infrastructure: Shared digital platforms, coordination tools
- Crisis mutual aid: Temporary financial or operational support during reserve depletion

Preventing Centralization Drift (safeguards):

- No permanent secretariat or staff beyond coordination function
- Pools cannot issue directives to member trusts
- No cross-subsidization without explicit mutual agreement
- Pool dissolution requires only simple majority vote

Section V: Implementation Pathways

5.1 Pilot Framework

Suitable Pilot Contexts:

- Fractional specialist markets: Professional services, technology, consulting sectors with episodic contracting
- Remote/distributed workforces: Companies with minimal physical infrastructure
- Volatility-exposed regions: Geographic areas experiencing employment instability
- Existing professional communities: Online or local networks seeking durable recognition structures

Pilot Scale and Duration:

- Small scale: 30-100 participants maximum in first 12 months
- Time-limited: 18-24 month pilot period with explicit review and continuation decision
- Fully voluntary: All participants and firms can exit without penalty
- Well-documented: Systematic collection of operational data, experiences, challenges

Success Metrics:

- Stability: Income volatility reduction for participants vs. pre-trust baseline
- Legitimacy: Participant satisfaction with governance fairness, credit transparency, voice
- Skill diffusion: Demonstrated capability transmission through mentoring programs
- Firm value: Willingness of firms to continue paying contributions and renew contracts
- Fiscal sustainability: Reserve levels, contribution adequacy, operational cost control

Minimum Viable Trust (functional pilot requires):

- 7-person board with specified composition
- Trust Coordinator (may be part-time in early phase)
- Minimum 1 Scout and 1 Programme Builder
- At least 2 firm interface contracts generating contribution flow
- Initial reserve fund sufficient for 6 months baseline allocation
- Basic coordination infrastructure (communication tools, record-keeping)

5.2 Replication and Federated Scaling

If pilots demonstrate viability, scaling occurs through replication rather than institutional expansion.

Replication Model (new trusts form by):
- Adopting core governance principles and design constraints
- Receiving technical assistance from established trusts
- Operating independently with local governance authority
- Optionally joining capability pools for specific functions

Inter-Trust Coordination (trusts remain independent but may coordinate through):
- Annual convening for experience sharing and template updates
- Voluntary capability pools for specific functions
- Mutual aid protocols during crises
- Shared development of training curricula and operational tools

No central coordinating body with enforcement authority develops unless trusts collectively choose to create one.

5.3 Integration with Regeneration Framework

In jurisdictions implementing both frameworks, interface institutions and regeneration trusts coordinate without merging.

Functional Complementarity:
- Regeneration trusts: Manage structural displacement through compensatory mechanisms and Community Initiative Programmes. Address permanent labor market restructuring.
- Interface institutions: Stabilize ongoing participation for workers in episodic capacity-based employment. Address transitional work patterns.

Operational Coordination (where both exist):
- Participants can engage with both systems simultaneously
- Local Compensatory Bodies and interface trust credits operate independently
- Interface trusts may subcontract with regeneration trusts for specific programs
- Governance remains separate to prevent mission drift

Section VI: Monitoring and Adaptive Governance

6.1 Performance Monitoring Framework

Quarterly Metrics (Trust Coordinators report on):
- Financial: Firm contributions received, credit allocations disbursed, reserve levels, operational costs
- Participation: Active participants by band, entries/exits, band transitions, utilization rates
- Programs: Active programs, participant hours, outcomes delivered, mentoring completions
- Governance: Board decisions, grievances filed and resolved, Key Role performance reviews

Annual Public Reporting (each trust publishes):
- Full financial statements (audited by independent accountant)
- Participant demographics and outcomes
- Program effectiveness assessments
- Governance activities and board composition changes
- Challenges encountered and adaptations made

Warning Indicators (trigger board review and corrective action):
- Reserves below 4 months baseline allocation
- Participant exits exceeding 25% annually
- Firm contract renewals below 60%
- Grievances unresolved beyond timeline (>45 days Tier 2)
- Credit allocation concentrated in top band (>40% Band 4)

6.2 National Standards and Oversight

National Standards Observer Role (appointed for 5-year term):
- Receives all trust annual reports and warning indicators
- Appoints arbitrators for Tier 3 grievances
- Investigates allegations of systematic rights violations
- Issues non-binding recommendations for governance improvements
- Publishes annual sector-wide report on trust performance

Intervention Thresholds (Observer can trigger external review when):
- Multiple warning indicators persist for 2+ quarters
- Systematic participant rights violations documented
- Evidence of governance capture or corruption
- Fiscal insolvency threatening participant payments

External review conducted by independent panel (2 trust experts + 1 legal expert + 1 participant advocate). Panel has authority to recommend board changes, operational reforms, or dissolution.

6.3 Constitutional Amendment Process

Local Constitutional Amendments (individual trusts may amend local provisions through):

- Board proposal with written rationale
- 30-day public comment period for participants
- Two-thirds supermajority board vote
- Documentation of change and implementation timeline

National Framework Updates (changes to universal standards require):

- Convening of trust representatives (annual or special session)
- Supermajority consensus (75% participating trusts)
- National Standards Observer review for rights compatibility
- 18-month implementation period for adopted changes

This specification represents Version 1.0. Subsequent versions will incorporate pilot findings, participant feedback, governance innovations, failure modes and corrective mechanisms, and successful adaptations from operating trusts. The framework is designed for evolution, not permanence.

Conclusion

This governance specification translates the community trust concept into operational reality. By detailing board structures, credit allocation mechanisms, firm interface contracts, operational protocols, and implementation pathways, it provides a complete institutional architecture ready for pilot testing.

The specification makes several critical design choices that ground legitimacy in governance participation rather than algorithmic optimization, separate capacity contracting from continuity provision, embed skill transmission as institutional function, enable coordination without centralization, and balance stability with adaptability.

Implementation Readiness
This specification is immediately implementable in pilot form. The minimum viable trust requirements are achievable, governance structures modeled on proven institutional forms, and operational mechanisms draw from established practice in cooperative governance, asset management, and skill development systems.

What distinguishes this framework is its explicit focus on the institutional gap created by post-labour work patterns. It does not assume employment will return, nor that markets alone will coordinate participation, nor that state welfare can indefinitely absorb volatility. Instead, it creates a new institutional layer specifically designed for the coordination challenge of episodic capacity-based work.

From Specification to Practice

The transition from specification to practice requires willingness among firms and specialists experiencing episodic volatility to test whether trust mediation improves outcomes, modest initial capital to establish governance structures and build reserves, and legal recognition that trusts can operate as independent public-interest bodies with asset-holding capacity.

None of these requirements is insurmountable. Pilots can begin with existing legal forms (nonprofit corporations, cooperatives) and operate under current regulatory frameworks. Success in pilot contexts would generate evidence for broader adoption and potential legislative support.

The fundamental question is not whether community trusts are theoretically coherent—this specification demonstrates they are. The question is whether societies experiencing the unbundling of employment will build institutional capacity to manage the transition, or allow coordination to degrade until political systems fracture.

Community trusts offer a path to managed transition. Whether that path is taken depends on institutional willingness to acknowledge that post-labour work systems require post-labour governance structures.

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Dedication

This work is dedicated to **Ed Roberts**, whose insistence that institutions adapt to human capability—rather than forcing humans to conform to institutional design—stands as an enduring reminder that when systems fail people, the obligation to change lies with the system, not the person.

— END OF SPECIFICATION —

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Community Trusts as Interface Institutions